Beaumont-Cherry Valley Water District's Application and Plan for Service

Attachment 3

3097/3098
(FOR LAFCO USE ONLY)

Justification for Proposal and Preliminary Environmental Description Form

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the proposed project site to allow the Commission, its staff and others to adequately assess the project. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: Reorganization to include Concurrent Annexations of San Bernardino County Properties and the proposed Sphere of Influence change of certain properties from Yucaipa Valley Water District to Beaumont Cherry Valley Water District.

2. NAME OF APPLICANT: Beaumont Cherry Valley Water District

   MAILING ADDRESS:
   560 Magnolia Avenue
   Beaumont, CA 92223

   PHONE: (951) 845-9581

   FAX: (951) 845-0159

   E-MAIL ADDRESS: _____

3. GENERAL LOCATION OF PROPOSAL: The site for the proposed project is located in Edgar Canyon primarily within the unincorporarted area of San Bernardino County. A small portion of land is within the Yucaipa Valley Water District sphere of influence.

4. Does the application possess 100% written consent of each landowner in the subject territory?
   YES ___ NO X If YES, provide written authorization for change.

5. Indicate the reasons that the proposed action has been requested. The purpose of the project is to maintain control of the groundwater quality of the District's existing wells, provide wellhead protection, and manage the District's facilities more efficiently. To modify the existing sphere of influence for Beaumont Cherry Valley Water District to include District owned property presently within the sphere of influence of Yucaipa Valley Water District.

6. Would the proposal create a totally or substantially surrounded island of unincorporated territory?
   YES ___ NO X If YES, please provide a written justification for the proposed boundary configuration.

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LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area (defined in acres):
   588.3 acres, Annexation of which 24 acres, Sphere of Influence Change

2. Current dwelling units in area:
   3 (BCVWD owned houses)

3. Approximate current population in area:
   10 (BCVWD employees and family)

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):
   Rural living

   San Bernardino County General Plan designation(s) and uses permitted by this designation(s):
   Rural living

5. Describe any special land use concerns expressed in the above plans.
   None

6. Indicate the existing land use.
   Rural living

   What is the proposed land use?
   Rural living

7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

   a. Has pre-zoning been completed? YES ___ NO ___
   b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ___ NO ___

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Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.
NA

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

☐ Agricultural Land Uses ☐ Agricultural Preserve Designation

☐ Williamson Act Contract ☐ Area where Special Permits are Required

☐ Any other unusual features of the area or permits required: No.

9. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.
None

10. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ___ NO X If YES, please explain.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. Mountainous

2. Describe any existing improvements on the site as % of total area.

Residential	less than 1 %	Agricultural	0 %
Commercial	0 %	Vacant	99 %
Industrial	0 %	Other	0 %

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3. Describe the surrounding land uses:

NORTH San Bernardino National Forest

EAST San Bernardino National Forest

SOUTH San Bernardino National Forest

WEST San Bernardino National Forest

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

None

5. Will service extensions accomplished by this proposal induce growth on this site? YES ___ NO X Adjacent sites? YES ___ NO X Unincorporated ___ Incorporated ___

6. Is this project a part of a larger project or series of projects? YES ___ NO X If YES, please explain.

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Parsons Attn. Steve Gratwick TELEPHONE NO. (626) 440-6024

ADDRESS: 100 West Walnut Street - Pasadena, CA 91124

NAME _____ TELEPHONE NO. _____

ADDRESS:

NAME _____ TELEPHONE NO. _____

ADDRESS:

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CERTIFICATION

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief. I understand that if this proposal is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

DATE 3/12/08

C.J. Butcher
SIGNATURE OF APPLICANT

Charles Butcher
PRINTED NAME OF APPLICANT

General Manager
TITLE

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- [X] ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- [X] SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- [ ] CITY INCORPORATION SUPPLEMENT
- [ ] FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- [ ] ACTIVATION OF LATENT POWERS SUPPLEMENT

APPLICATION TO BE SUBMITTED TO:

LOCAL AGENCY FORMATION COMMISSION
215 NORTH D STREET, SUITE 204
SAN BERNARDINO, CA 92415-0490
PHONE: (909)383-9900 • FAX: (909) 383-9901
E-MAIL ADDRESS: lafco@lafco.sbcounty.gov

DC-Rev. 2/2/07

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LAFCO
San Bernardino County

3098
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SUPPLEMENT
ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the Commission, staff and others to adequately assess the project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO	DETACHED FROM
BCVWD	NA

2. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

No

3. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

No

4. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

NA

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5. PLAN FOR SERVICES:

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

1. A description of the level and range of each service to be provided to the affected territory.

2. An indication of when the service can be feasibly extended to the affected territory.

3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

4. The estimated cost of extending the service and a description of how the service or required improvements will be financed. A discussion of the sufficiency of revenues for anticipated service extensions and operations is also required.

5. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

6. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

CERTIFICATION

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 02-19-08 C J Butcher

SIGNATURE OF APPLICANT

/krm – 12/8/2000

PLAN OF SERVICES

For

REORGANIZATION TO INCLUDE ANNEXATIONS TO BEAUMONT CHERRY VALLEY WATER DISTRICT AND SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (LAFCO 3098)

(Revised – February 5, 2009)

Introduction

The Beaumont Cherry Valley Water District (District) is applying to annex District owned parcels shown on Exhibit A in order to maintain control of the groundwater quality of the District's existing wells, provide wellhead protection, and manage the District's facilities more efficiently. The District will also be annexing two privately owned parcels presently being served by the District. As one of the requirements for completing the annexation process, a Plan of Services is required. The purpose of a Plan of Services is to provide information for evaluation as to 1) the ability of the District to provide service in a cost-effective manner and 2) to ensure the area to be annexed will receive benefit from the planned extension of service. The Plan of Services is also required to meet the requirements of Senate Bill No. 221, ("Kuehl") which stipulates that legislative bodies of a city, county, or public water system provide written verification that a sufficient water supply is available prior to completion of a project/subdivision and Senate Bill No. 610, ("Costa") which requires the water supplier to prepare a water supply assessment. This Plan of Services is prepared to meet the above requirements. Table 1 lists the assessor parcel numbers, number of acres and land use of the lots to be included in this annexation. The APNs are also shown in Exhibit A.

Table 1

Properties to be Annexed into Beaumont Cherry Valley Water District

APN	Acres	San Bernardino County Land Use
0325031090000 (District Owned)	17.04	Rural Living
0325031100000 (District Owned)	18.34	" "
0325051020000 (District Owned)	8.77	" "
0325051030000 (District Owned)	34.04	" "

Table 1 (Continued)

Properties to be Annexed into Beaumont Cherry Valley Water District

APN	Acres	San Bernardino County Land Use
0325061010000 (District Owned)	79.66	Rural Living
0325071020000 (District Owned)	19.76	" "
0325081050000 (District Owned)	40.89	" "
0325101070000 (District Owned)	19.59	" "
0325111120000 (District Owned)	34.31	" "
0325122010000 (District Owned)	315.89	" "
0325101100000 (Privately Owned)	0.50	" "
0325111220000 (Privately Owned)	0.60	" "
TOTAL	**589.39**	

Required Potable Water System Improvements

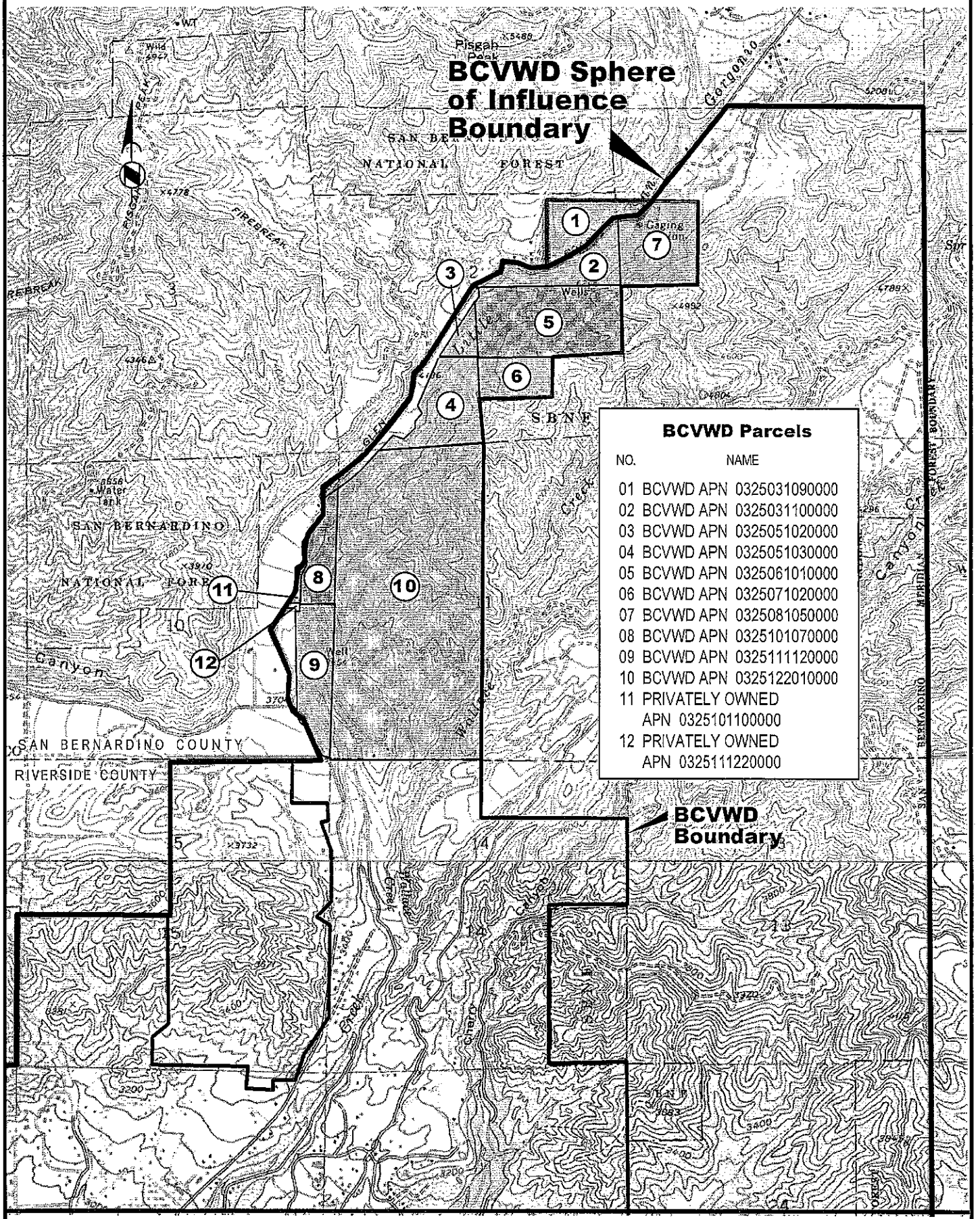
This annexation does not require water system improvements.

Required Recycled Water System Improvements

This annexation does not require recycled water system improvements.

Recent Legislation

As development increases, the need for additional potable water sources will increase. The District is actively pursuing additional water sources to meet the future demands within the District's service area. Recently passed legislation, effective January 1, 2002, includes Senate Bill No. 221, ("Kuehl") which stipulates that legislative bodies of a city, county, or public water system provide written verification that a sufficient water supply is available prior to completion of a project/subdivision. A subdivision is defined in the Kuehl Bill as "a proposed residential development of more than 500 dwelling units for a public water system with 5,000 services connections or more" which is applicable to the District. Senate Bill No. 610, ("Costa") requires



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the water supplier to prepare a water supply assessment. The above legislation bill is not applicable to this Project.

Additional information to support this Plan of Services as required by LAFCO's *Local Government Reorganization Act of 2000* is provided below.

Beaumont Cherry Valley Water District Background

Beaumont Cherry Valley Water District (District) was first formed in March 1919, to provide domestic and irrigation water to the new community of Beaumont and the surrounding area. The District was originally named the Beaumont Irrigation District. In 1973 the name was changed to the Beaumont Cherry Valley Water District. However, even though the name has changed, the District's authority comes from the Irrigation District Law of the State of California.

The District's present service area covers about 28 square miles, virtually all of which is in Riverside County. The District's ultimate service planning area encompasses an area of about 40 square miles. (See Exhibit "B" attached)

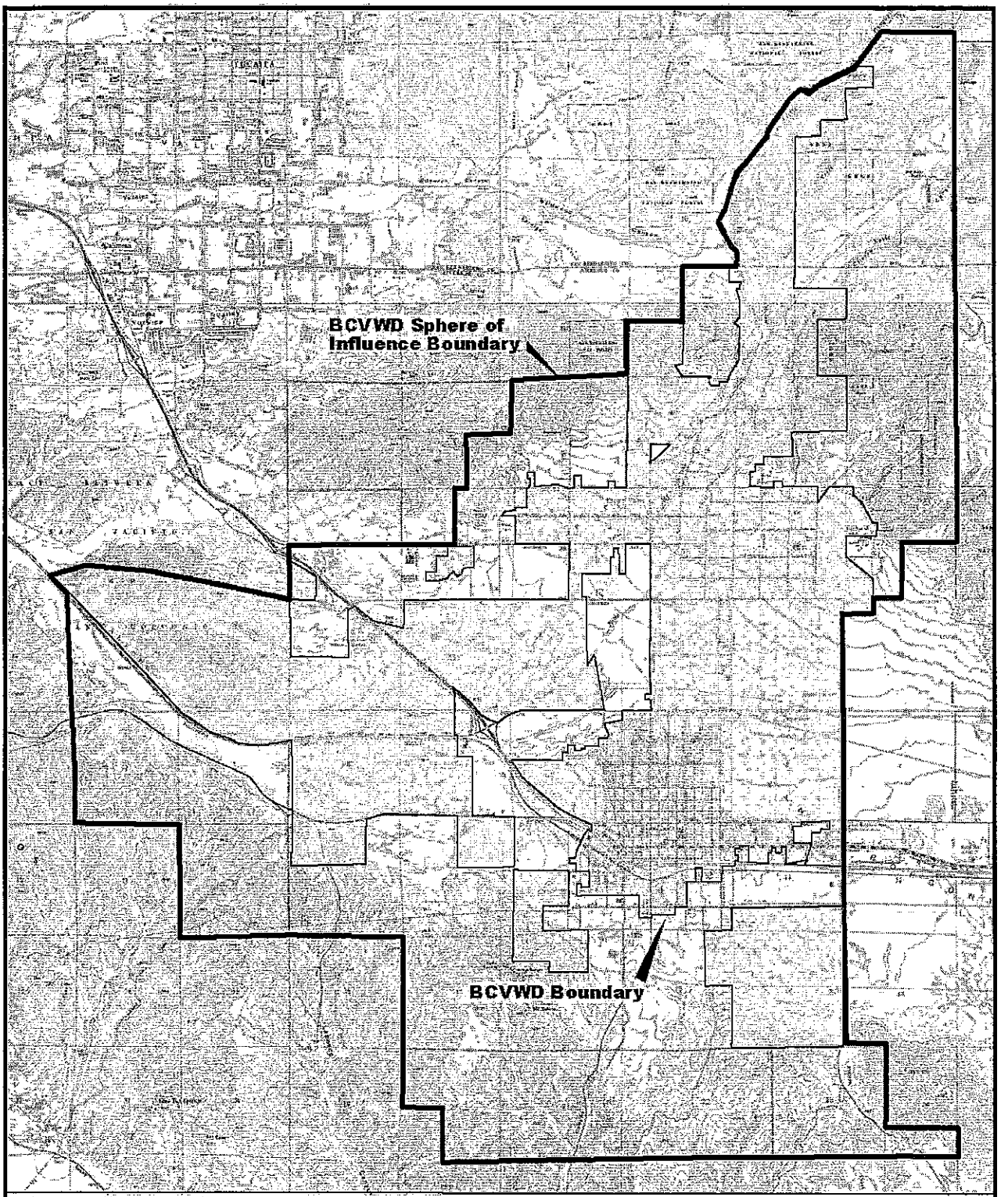
Water Supply

The District presently extracts water from two local groundwater sources to meet the District's water demand, Edgar Canyon and the Beaumont Basin. Table 2 below shows the total amount of water extracted over the previous five years from the two sources.

Table 2
Groundwater Production (2003-2007)

Year	Groundwater Production (ac-ft)
2007	13,681
2006	12,439
2005	8,848
2004	8,053
2003	6,745*

* Production of 2,414 ac-ft for groundwater recharge pilot project not included.



Source: Modified from USGS 1:24,000 topographic maps of Beaumont, Forest Falls, Yucaipa, and El Casco, CA

NORTH

0 8000

Approximate Scale in Feet

Exhibit B

District Boundary and Sphere of Influence
Beaumont Cherry Valley Water District
Beaumont, California

The Beaumont Basin, Exhibit C, is a very large groundwater source that the United States Geological Survey (USGS) estimates contains approximately 1.1 million acre-feet of groundwater in storage. This mid 1960s estimate was based on existing well data at the time. The report has been the basis for a general consensus that the base of useable water was 1,000 ft. below ground surface (BGS). The District, however has drilled a new test well in the Beaumont Basin at the District's newest recharge site to a depth of 1,500 feet BGS. Since then, the District has constructed four additional deep water wells with a total pumping capacity of approximately 11,000 gpm within the Beaumont Basin.

As part of a report titled "Geohydrologic Investigation Noble Creek Artificial Recharge Study" prepared by Geoscience, results from pump test data suggests that high quality groundwater with lower Total Dissolved Solids (TDS) and a different water chemistry exists in large quantities below the USGS previously theorized 1,000' base. Other deep wells drilled by Southern California Professional Golfers Association (SCPGA), Oak Valley Greens and the Sunny-Cal Egg Ranch show that the deep source is relatively wide spread throughout the Beaumont Basin. This additional volume of water in storage greatly increases the reliability of the District's groundwater supply.

Based on District studies and those prepared by San Gorgonio Pass Water Agency (Agency) and the San Timoteo Watershed Management Authority (STWMA), it is estimated that the long-term safe yield for the Edgar Canyon is 2,600 ac-ft/yr and Beaumont Basin is about 8,650 ac-ft/yr. These volumes should only be considered as estimates as the deep aquifer yields from the Beaumont Basin were not considered in these studies.

In 1902 the District's predecessor, Beaumont Land and Water Company (Company) began diversions of water in the Little San Gorgonio Creek and Noble Creek to supplement irrigation water demands using surface water rights that the Company had purchased with land acquisitions along the creeks. The Company also purchased down stream riparian water rights to allow full use of the surface flows of the creeks. The District's first shallow wells were built about this same time (1902) to augment surface water supplies and to provide a more reliable water supply to the growing community. As the wells came on line the Company began to impound the stream flows to recharge shallow aquifers the wells pumped from. This diversion has continued throughout the twentieth century and continues today. Through the last twenty or so years the District has closely monitored diversions and extractions determining that more water is recharged than is pumped from the canyon supply. The USGS, in cooperation with the District and the San Gorgonio Pass Water Agency, has recently determined in a currently published USGS report, that the recharged groundwater in the Little San Gorgonio Creek Canyon does not flow underground into the Beaumont Basin presumably because of the existing geology underlying alluvial fill in the canyon areas the District uses for recharge.

To augment existing water sources, which is presently totally groundwater extractions and capture lost recharge from the canyon recharge efforts, the District is developing a project that will capture stormwater flows in Little San Gorgonio and Noble Creeks and deliver the flows, through a pipeline, to recharge basins directly overlying the Beaumont Basin. A District engineering study titled "Resource Development–Surface Water Capture for Little San Gorgonio Creek and Other Locations", amended December 10, 2001 discusses in detail the recharge and recovery project. The recharge site will also be able to receive State Water Project water from

Exhibit C
Groundwater Basins in the San Timoteo Watershed
Beaumont Cherry Valley Water District
Beaumont, California

San Gorgonio Pass Water Agency for groundwater recharge and may be used for conjunctive use projects discussed later in this section. The estimated yearly average long-term capture of stormwater flows is 4,100 ac-ft/yr. The District has secured funding for the above project to help pay for the engineering design, completed a $1.6 million dollar recharge study, taken possession of the 78 acre recharge site (formally the Oda property) that will be developed as a park/recharge facility and has completed the environmental impact report titled "Groundwater Recharge Program", March 2003 for the recharge project. Construction of Phase 1 of the Recharge Project was completed in September 2006 and at that time the project began accepting State Water for percolation into the groundwater basin. In 2006 the District percolated approximately 4,100 ac-ft.

The District in cooperation with the City of Beaumont is also developing a recycled water distribution system for delivery of recycled water from the City's wastewater treatment facility. Currently the annual irrigation water demand supplied by the District is estimated to be approximately 1,668 ac-ft/yr, which includes irrigation of parks, schools, green belt areas, and a golf course. In addition it is estimated that about 4,000 ac-ft/yr of potable water is used to irrigate various golf courses in the area which will eventually be converted to recycled water users. Once these golf courses are converted, the current groundwater demand for irrigation would then be available to the District to meet domestic demands. These golf courses consist of three championship golf courses, which pump from the Beaumont Basin, and a smaller golf course, which is served by a well outside of the Beaumont Basin in Marshall Canyon. The smaller golf course is also receiving water from springs located northeast of the developed area of Cherry Valley.

The City of Beaumont estimates that the average annual wastewater collected per EDU is 0.19 gpm/EDU (0.31 ac-ft/yr/EDU.) This statistic indicates, when compared to the District's current actual average deliveries of water to individual EDU on 10,000 square foot lots or less (0.61 ac ft/yr/EDU) that 50% of the water delivered to an EDU is recycled under the new system plan.

The use of recycled water for the parks, golf courses, and other open space areas will "free-up" available potable water, which is presently being used for irrigation. It is estimated that presently about 2.5 million gallons per day (2,800 ac-ft/yr) would be available from the City of Beaumont's wastewater treatment plant for recycled use with an ultimate available recycled water source of 10.0 million gallons per day (11,200 ac-ft/yr). The City is currently building a plant expansion that includes a reservoir for storage of recycled water at the plant along with a booster station to pump recycled water through the District's recycled water distribution system.

The District is currently constructing recycled water transmission mains for delivery of recycled water to existing irrigation users. The District is also installing a recycled water distribution system as new development occurs. The District continues to collect a Recycled Water Facility Fee from each new EDU to finance the improvements. This fee is providing the necessary capital for the District and the City of Beaumont to complete the recycled water system as development occurs. The District has also applied for grant/low interest loans from the State of California under the water recycling program. First deliveries of recycled water to the District's recycled water distribution system in the southern portion of the District is expected to begin in late 2009.

Construction is under way on the first portion of the system, which will be in operation as early as middle of 2008. This will serve the Oak Valley Greens golf course, the new high school and elementary school, the City of Beaumont Sports Park and green belt areas in the Oak Valley Greens and Noble Creek development areas. This first delivery will reduce the potable water currently pumped from the basin by approximately 1,200 acre-feet.

The District, in cooperation with the City of Beaumont, will complete the next phase of the non-potable / recycled water system sometime in late 2009 to SCPGA which will further reduce the use of potable water from the Beaumont Basin for irrigation. As more new development comes on line more recycled water will become available (approximately 0.30 acre-feet per EDU per year) to further reduce the State Water Project (SWP) water demand for irrigation. This will increase the recharge of SWP water in to the Beaumont Basin until there is enough development to finance completion of the District's Water Treatment Facility for direct deliveries of SWP water to the District's potable water system. The District currently has about $3,000,000 on deposit for construction of a Water Treatment Facility for direct deliveries of SWP water.

The City of Beaumont and the District are also working together with developers throughout the District's service area to develop four "Incidental Recharge" areas. The largest of which is on Noble Creek. These areas will be developed to capture urban storm runoff for recharge to the groundwater basin. They will also be used for blending storm flows with surplus recycled water during winter months. The Noble Creek site may also be used to recharge various additional supplies that may be available from the District's recharge project. The City has projected that this project will capture and recharge approximately 500 ac-ft/yr of storm water that may also be used to blend with surplus recycled water.

The District in August 2006 adopted the 2005 update to the District's "Urban Water Management Plan" (UWMP) which provides a complete detail of the District water resource plan and explains where and how the District plans to serve development in the District's Sphere of Influence through 2030. The source for Table 3 below is from of the District's 2005 UWMP Update. Table 3 forecasts the water supply that the District will rely on through the first 30 years of the 21-century. Based on the District's resource development plan, the District will reduce its dependency on the Beaumont Basin, which currently is relied on for most of our water supply and limit the District's reliance on State Water Project water to approximately 20% of the District's overall water demand. Development of the water resources shown in Table 3 are dependent on development within the District's Sphere of Influence as it is the developing lands that will provide a majority of the funding for the expansion of the District's future water resources. Table 3 also includes State Water Project purchases through the proposed Imported Water Purchase Agreement (WPA), which is described in more detail below.

TABLE

Sources and Demands and Storage Account Balance

WATER BALANCE -- SOURCES vs DEMANDS

	2005	2010	2015	2020	2025	2030
Water Supply Sources						
State Project Water via San Gorgonio Pass Water Agency						
For Direct Non-potable Reuse	0	448	0	0	0	0
For Recharge		3500	5000	6000	7000	7000
Total Imported Water		3948	5000	6000	7000	7000
Groundwater Produced from Edgar Canyon	2600	1800	1800	1800	1800	1800
Groundwater Produced from Beaumont Storage Unit from Temporary Surplus up to BCVWD Adjud. Right	6802	6802				
Total Overlier Rights Distributed to BCVWD	2280	1507	1049	1049	1049	1049
Potable Water Supplied to Overlying Parties (Sunny Cal Egg Ranch and Surroundings)	0	275	549	549	549	549
Recycled or Non-potable Water Supplied to Overlying Parties	0	3150	3150	3150	3150	3150
Urban Runoff/Groundwater Recharge	379	832	907	981	1055	1129
Captured Infiltration (shallow groundwater)	0	300	300	300	300	300
Stormwater Capture/Groundwater Recharge	0	4100	4100	4100	4100	4100
Recycled Water Recharged	0	0	1328	1678	1978	2171
Total Allowable Extractions from Beaumont Storage Unit	9461	20466	16382	17806	19180	19447
Total Potable Water Supply	12061	22266	18182	19606	20980	21247
Water Demand (includes existing demands which can be served by non-potable water)	8767	18029	23213	24417	25119	25577
Water Demand less existing potable water users converted to non-potable water	8767	16329	21060	22264	22966	23424
Recycled Water Available for Recharge	0	0	1328	1678	1978	2171
Imported Water to Recycled System to make up shortfall	0	448	0	0	0	0
Subtotal Non Potable Water Demand	0	5957	6828	7028	7028	7028
Existing Potable Water Users Converted to Recycled Water	0	1700	2153	2153	2153	2153
Future Recycled Water Users (not including recharge)	0	1107	1525	1725	1725	1725
Recycled Water Suplied to Overlying Parties	0	3150	3150	3150	3150	3150
Recycled Water	1471	5509	8156	8706	9006	9199
Water to BCVWD Storage Account	3294	5937	-2878	-2658	-1986	-2177
Accumulated Water in BCVWD Storage Account		30926	38381	26537	15056	4553

Additional sources of water for future development also include increased return flows from the development of lands overlying the Beaumont Basin. The San Timoteo Watershed Management Authority (STWMA), discussed later in this section, is currently developing a study funded by STWMA and the Santa Ana Regional Water Quality Control Board that will study the relationship between recharge from vacant lands and developed lands that are irrigated regularly (lawn watering, golf course watering etc.). It will also give a better indication of the water supply that is being developed by the capture of runoff from impervious areas of both existing and newly developing areas, which will better quantify the available water that is delivered to an EDU and returned to the groundwater source as return flow.

Based on the water projected forecast shown in Table 3, approximately 80% of the District water demand will be supplied by local water sources as the various projects funded by development are constructed. The additional 20% of the District's water demand necessary for new development will be supplied by imported water that will come through a new water system that was built by the Department of Water Resources (DWR) in cooperation with the San Gorgonio Pass Water Agency (Agency).

Additional sources of water for future development include SWP water imported through the Pass Water Agency. The Pass Water Agency has indicated that the District's pro-rata share of the Pass Water Agency's 17,300 acre-fl/yr entitlement of imported water is estimated to be about 7,000 acre-feet per year. The Pass Water Agency has established no formal allocation policy. The pro-rata share of about 7,000 ac-ft/year is based on assessed valuation conducted in 1988. This figure can only be considered preliminary.

The Agency also has a requirement by Law to prioritize water delivered to offset overdraft that may exist in any agency or district receiving water. Following is an excerpt from Chapter 101 of the San Gorgonio Pass Water Agency Law as stated in the California State Water Code Appendix:

"§ 101 – 15.5 Allocation of water from State Water Project"

Sec. 15.5. It is the intent of the Legislature that, in allocating water received from the State Water Project pursuant to this act, the highest priority shall be given to eliminating groundwater overdraft conditions within any agency or district receiving the water."

The Agency is in the process for final approval of a water sales ordinance that will allow the District to purchase existing Table "A" State Project water. The District has adopted their 2005 Calendar year budget which includes funding for the purchase of 1,250 acre feet of State Project water for "in-lieu" irrigation deliveries and recharge of the Beaumont Storage Unit.

District/Agency agreements are also important as they will allow the District, through the Agency, to purchase additional imported water as well as purchase of new water rights. As previously stated the District is required by State Law to update the UWMP at a minimum of every 5 years. Each time the District updates its UWMP it will also update the Water Resources Plan. If at such time the Water Resources Plan determines that 80% of the District's water needs from local supplies is reduced, the District will be able to accelerate new water right purchases through the Agency by increasing the flow of revenue to the Agency for both purchase of additional water plus funds for delivery of additional imported water.

The District is also in the process of implementing a Special Rate Area in the developing areas for the purpose of paying for the importation (delivery) of supplemental water supply annually based on the demand as the new units come on line. This replenishment fund will be used to further assist the Agency in paying for overdraft offset as required by 101-15.5.

The District will also be implementing a new addition to its current Facility Fee for the developing areas for the purpose of buying additional imported water (rights) supply beyond the Agency's current 17,300 acre-foot entitlement because the District expects all of the existing entitlement to be used to offset overdraft throughout the Agency service area. The intent for this new water purchase fee is to pay for the water rights necessary to cover the 20% shown in Table 3 above as "SWP per WPA". The fee, which will be in place within 90 days from the date of the agreement with the Agency, will provide the District with revenue to purchase, through the Agency, new water rights beyond the current SWP entitlement. For example, there is currently 4,000 acre-feet of existing entitlement available for sale by one of the SWP contractors. Neither the City nor the District have available funds to purchase the water rights currently valued at $2,000 per acre-foot. With the new fee added to the existing Facility Fee, the District in the future, as demands grow, will have the funds available to purchase additional water supply to augment the 80% local supply. In other words, the new fee will allow the District to develop the

revenue source to purchase and develop 100% of the water needed for new development without relying on existing SWP entitlements.

In 2001, the San Timoteo Watershed Management Authority (STWMA) was formed for the purpose of managing the surface and groundwater and to develop a watershed management plan for an area of over 120 square miles of the upper San Timoteo Creek drainage area. The Joint Powers Authority members include the City of Beaumont, Beaumont Cherry Valley Water District, South Mesa Water Company and Yucaipa Valley Water District. STWMA has completed its Phase 1 report toward development of a watershed management plan that includes all of the service area of the four member Agencies along with their respective water development areas. One of the most important issues facing STWMA was to implement management and control of the Beaumont Basin, which is the largest groundwater basin in the watershed and is relied upon by all members of STWMA as well as others for a majority of the watershed's water supply. To resolve the issues related to the Beaumont Basin including current and future overdraft, STWMA filed a legal action for adjudication of the water basin naming all of those pumpers producing more than 10 ac-ft/yr from the Beaumont Basin including the STWMA member agencies. Following intense negotiations for approximately one year, the extractors developed a Stipulated Judgment that will complete the adjudication of the Beaumont Basin and form a Water Master to manage the basin's water supply.

Additional water supplies can be made available through a conjunctive use program. The USGS has indicated in previous reports that the Beaumont Basin currently has between 200 and 400,000 acre-feet of vacant storage space that can be used to store water for later use. With the adjudication and the Water Master Plan in place, the management of the Beaumont Basin will include conjunctive use. This program involves the lease of vacant water storage space in the basin for use by a conjunctive use partner. A conjunctive use partner can be defined as an agency or entity from outside the area that pays to store supplemental water for later use. The Stipulated Judgment provides that there will be a "minimum of 200,000 acre-feet" of storage space for conjunctive use. Development of a conjunctive use program in the Beaumont Basin will benefit all "appropriators" using the basin as it will make available additional funds to complete local water resource projects purchase additional supplemental supplies.

With the continued exploration of the deep aquifers discussed in the implementation of projects discussed in this report and discussed in detail in the implementation of the Replenishment Assessment District, the development of a new fee for purchase of additional SWP entitlement, the soon to be filed Beaumont Basin adjudication, the creation of a Water Master to manage the basin and the development of a conjunctive use program, the District does have the sufficient water supply to serve this Project with potable water and recycled water.

Water Demand Analysis

The District at the end of 2007 had a total of approximately 13,835 service connections. The District, during that time, was serving approximately 141 agriculture users, 296 commercial users, 16 industrial users, and 13,382 domestic residential and irrigation users. Table 4 shows the approximate amount of water used by each user classification in 2007.

Table 4
Water Use by User Classification (2007)

User Category	Water Demand, 2007 (ac-ft/yr)
Agriculture	481
Commercial	1142
Industrial	863
Residential & Irrigation	9,884
Other (Construction, Fire, Maintenance, System Losses, etc.)	1,311

The yearly average domestic water demand is based on a water demand factor of 0.40 gpm per EDU (Equivalent Dwelling Unit, residential units).

The table below compares current and projected water supply and demand based on the forecast increase of known developments requesting service and water supplies discussed above. The individual components for the water supply and demand totals are discussed in the UWMP.

Table 5

Projected Supply and Demand Comparison By Known Developments Requesting Service

	2005	2010	2015	2020	2025	2030
Supply Totals	12,061	24,782	19,996*	20,450	20,841	21,119
Demand Totals	8,767	16,329	21,060	22,264	22,966	23,424
Supply Surplus	3,294	8,453	<1,064>	<1,814>	<2,125>	<2,305>
Units of Measure: Acre-feet/Year						

Source: BCVWD 2005 Urban Water Management Plan Update

* Temporary surplus from the Beaumont Basin from the Beaumont Basin Adjudication goes away in 2014.

As indicated in the above footnote, in 2014 the surplus water BCVWD has been storing goes away in 2014. From the present to 2014, the BCVWD stores the extra water in a storage account to be used in future years. Starting in 2015 the additional water supply will come from the storage account to meet demand.

The following comparisons for the normal water year, single dry year, and multiple dry years are based on the forecasted supply versus demand based upon planned development. The

growth for the service area is an assessment based on the forecast planned and approved developments provided by the City of Beaumont and adjusted based on knowledge of the development specific plans and tract maps.

The supply reliability and demand comparison for the dry-year assessment is shown in Table 6 and includes demands and supplies during a single dry year (using 2030) and multiple dry water years using 2028, 2029 and 2030 as a basis. It should be noted that the demand totals do not include implementing conservation measures which will reduce water demands by about 15%.

Table 6

Supply Reliability and Demand Comparison

	Average / Normal Water Year	Single Dry Water Year	Multiple Dry Water Years		
			Year 1	Year 2	Year 3
Basis Years =>	**2030**	**2030**	**2028**	**2029**	**2030**
Supply totals	21,119	8,219	9,691	9,730	9,769
Demand totals	23,424	23,424	23,241	23,332	23,424
Surplus Supply	<2,305>	<15,205>	<13,550>	<13,602>	<13,655>
Units of Measure: **Acre-feet/Year**					

Source: BCVWD 2005 Urban Water Management Plan Update

The analysis predicts a water supply deficit for a single dry year in 2030 of 15,205 acre-feet. This deficit can temporarily be over come by extracting additional groundwater from the Beaumont Basin for short periods of time along with implementation of some of the water shortage contingency measures as discussed in the UWMP. The additional water extracted from the Beaumont Basin would be replenished during wet years or when supply of recycled water is not needed to meet irrigation demands. Any excess recycled water, when available, such as during winter months, can be percolated to increase the amount of groundwater stored in the basin. When there is a need for additional water supply, the District has historically and plans to continue to draw on accumulated storage in the Beaumont Basin during critical supply years with plans to recharge the groundwater during wet years and with the percolation of recycled water.

It should be noted that the additional supplies necessary to meet future demands in dry years beyond 2030 will be obtained by further developing recycled water resources, and implementing the District's water resource projects as discussed above.

Estimated Construction Costs

No facilities will be constructed.

By:

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Beaumont Cherry Valley Water District

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